

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Nicholls State University  
State of Louisiana  
Thibodaux, Louisiana

December 20, 2000



***Financial and Compliance Audit Division***

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***Daniel G. Kyle, Ph.D., CPA, CFE***  
***Legislative Auditor***

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### **LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

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**NICHOLLS STATE UNIVERSITY**  
**STATE OF LOUISIANA**  
Thibodaux, Louisiana

General Purpose Financial Statements  
and Independent Auditor's Reports  
As of June 30, 2000, and for the Years  
Ended June 30, 2000 and 1999  
With Supplemental Information Schedules

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

December 20, 2000

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

General Purpose Financial Statements  
and Independent Auditor's Reports  
As of June 30, 2000, and for the Years  
Ended June 30, 2000 and 1999  
With Supplemental Information Schedules

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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

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December 1, 2000

Independent Auditor's Report  
on the Financial Statements

**NICHOLLS STATE UNIVERSITY**  
**STATE OF LOUISIANA**  
Thibodaux, Louisiana

We have audited the accompanying general purpose financial statements of Nicholls State University, a component unit of the State of Louisiana, as of June 30, 2000, and for the years ended June 30, 2000 and 1999, as listed in the foregoing table of contents. These financial statements are the responsibility of management of Nicholls State University. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of Nicholls State University at June 30, 2000; the changes in fund balances; and the current funds' revenues, expenditures, and other changes for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2000, on our consideration of Nicholls State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of Nicholls State University. Such information has been

LEGISLATIVE AUDITOR

**NICHOLLS STATE UNIVERSITY**  
**STATE OF LOUISIANA**  
Audit Report, June 30, 2000

subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is fluid and cursive, with the first name "Daniel" being the most prominent.

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

KWF:ES:RCL:ss

[NICHOLLS]



**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

**Balance Sheet, All Funds, June 30, 2000**

	CURRENT FUNDS			STUDENT	ENDOWMENT
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	LOAN FUNDS	FUNDS
<b>ASSETS</b>					
Cash and cash equivalents (note 2)	\$1,429,299	\$1,494,959	\$2,379,710	\$91,326	\$5,413,658
Investments (at fair value) (note 3)					20,655
Accounts receivable	693,402	245,036	524,973	16,831	22
Notes receivable (note 4)				49,474	
Deferred charges and prepayments	539,225				
Inventories	141,382	1,316,900			
Institutional plant (note 13)					
<b>TOTAL ASSETS</b>	<b>\$2,803,308</b>	<b>\$3,056,895</b>	<b>\$2,904,683</b>	<b>\$157,631</b>	<b>\$5,434,335</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accruals	\$1,122,896	\$30,698	\$94,047		
Compensated absences payable (note 1-K)	2,514,864	256,106	155,750		
Deferred revenues	1,539,030	65,767			
Deposits held for others		116,704			
Note payable (note 9)					
Bonds payable (note 9)					
Other liabilities					
Total Liabilities	5,176,790	469,275	249,797	NONE	NONE
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved for debt service (note 9)					
Reserved for inventories (note 10)	141,382				
Current operations:					
Restricted		2,587,620	2,654,886		
Unrestricted	(2,514,864)				
Noncurrent operations:					
Restricted				\$157,631	
Endowment					\$5,348,176
Quasi-endowment - unrestricted					86,159
Total Fund Equity (deficit)	(2,373,482)	2,587,620	2,654,886	157,631	5,434,335
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$2,803,308</b>	<b>\$3,056,895</b>	<b>\$2,904,683</b>	<b>\$157,631</b>	<b>\$5,434,335</b>

The accompanying notes are an integral part of this statement.

Statement A

UNEXPENDED	PLANT FUNDS			AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$618,011	\$263,178	\$3,926,473		\$79,464	\$15,696,078
2,061				417	20,655
		282,945			1,482,742
					332,419
					539,225
					1,458,282
			\$83,427,927		83,427,927
<u>\$620,072</u>	<u>\$263,178</u>	<u>\$4,209,418</u>	<u>\$83,427,927</u>	<u>\$79,881</u>	<u>\$102,957,328</u>
				\$1,232	\$1,248,873
					2,926,720
					1,604,797
				65,269	181,973
			\$295,070		295,070
			2,476,051		2,476,051
		\$10,134		13,380	23,514
<u>NONE</u>	<u>NONE</u>	<u>10,134</u>	<u>2,771,121</u>	<u>79,881</u>	<u>8,756,998</u>
			80,656,806		80,656,806
	\$255,000	858,459			1,113,459
					141,382
					5,242,506
					(2,514,864)
\$620,072	8,178	3,340,825			4,126,706
					5,348,176
					86,159
<u>620,072</u>	<u>263,178</u>	<u>4,199,284</u>	<u>80,656,806</u>	<u>NONE</u>	<u>94,200,330</u>
<u>\$620,072</u>	<u>\$263,178</u>	<u>\$4,209,418</u>	<u>\$83,427,927</u>	<u>\$79,881</u>	<u>\$102,957,328</u>



**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

**Statement of Changes in Fund Balances  
For the Year Ended June 30, 2000**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
<b>REVENUES AND OTHER ADDITIONS:</b>				
Unrestricted current fund revenues	\$34,823,429			
Tuition and fees - restricted			\$1,924,625	
Governmental grants and contracts:				
Federal			4,776,203	
State			1,834,453	
Local			123,546	
Private gifts, grants, and contracts - restricted			3,186,390	\$1,000
Investment income - restricted				
Endowment income				
Auxiliary enterprises		\$6,853,926		
Interest on loans receivable				300
Retirement of indebtedness				
Additions to plant facilities			82	13,426
Other sources				
Total revenues and other additions	<u>34,823,429</u>	<u>6,853,926</u>	<u>11,845,299</u>	<u>14,726</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>				
Educational and general	32,350,873		11,685,530	
Auxiliary enterprises		8,248,483		
Expended for plant facilities				
Indirect costs recovered			173,611	
Loan cancellations and write-offs				2,527
Retirement of indebtedness				
Interest on indebtedness				
Refunded to grantors				831
Disposal of plant facilities				
Other				
Total expenditures and other deductions	<u>32,350,873</u>	<u>8,248,483</u>	<u>11,859,141</u>	<u>3,358</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(492,193)		
Other		(2,608)		
Nonmandatory:				
Capital improvements		7,537		
Renewals and replacements				
Other	(2,372,505)	2,012,619	373,637	
Total transfers among funds	<u>(2,372,505)</u>	<u>1,525,355</u>	<u>373,637</u>	<u>NONE</u>
Inventory increase (decrease)	<u>(6,319)</u>	<u>68,431</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	93,732	199,229	359,795	11,368
Fund balances (deficit) at beginning of year	<u>(2,467,214)</u>	<u>2,388,391</u>	<u>2,295,091</u>	<u>146,263</u>
Fund balances (deficit) at end of year	<u><u>(\$2,373,482)</u></u>	<u><u>\$2,587,620</u></u>	<u><u>\$2,654,886</u></u>	<u><u>\$157,631</u></u>

The accompanying notes are an integral part of this statement.

## Statement B

ENDOWMENT FUNDS	PLANT FUNDS			INVESTMENT IN PLANT	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS		
	\$191,473		\$395,367		\$34,823,429 2,511,465
					4,776,203 1,834,453 123,546 3,187,390 68,689 529,911 6,853,926 300
\$529,911	735		67,954	\$624,883 11,574,234	624,883 11,574,234 426,014
529,911	33,060 225,268	NONE	379,446 842,767	12,199,117	67,334,443
					44,036,403 8,248,483 461,255 173,611 2,527 624,883 154,513 831 1,426,037 383,073
1,019 1,019	431,958	\$29,297 29,297	624,883 154,513 2,608 782,004	1,426,037 379,446 1,805,483	55,511,616
			492,193 2,608		
	252,897		(252,897)		
(13,751) (13,751)		(7,537)			
	252,897	(7,537)	241,904	NONE	NONE
NONE	NONE	NONE	NONE	NONE	62,112
515,141	46,207	(36,834)	302,667	10,393,634	11,884,939
4,919,194	573,865	300,012	3,896,617	70,263,172	82,315,391
\$5,434,335	\$620,072	\$263,178	\$4,199,284	\$80,656,806	\$94,200,330

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA  
CURRENT FUNDS**

**Statement of Revenues, Expenditures,  
and Other Changes  
For the Year Ended June 30, 2000**

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$12,300,342	\$221,832	\$1,652,912
State appropriations	20,573,419		
Governmental grants and contracts:			
Federal	101,998		4,715,555
State			1,713,756
Local			49,212
Private gifts, grants, and contracts			3,161,836
Sales and services of education departments	621,584		
Investment income	201,223	144,956	1,583
Auxiliary enterprise revenue		6,460,413	
Other sources	1,024,863	26,725	82
Total revenues	<u>34,823,429</u>	<u>6,853,926</u>	<u>11,294,936</u>
Expenditures and transfers:			
Educational and general:			
Instruction	17,321,330		1,656,564
Research	24,138		521,146
Public service			777,695
Academic support	3,916,471		1,169,786
Student services	2,023,020		4,491,122
Institutional support	4,310,434		267,437
Operations and maintenance of plant	4,021,320		
Scholarships and fellowships	754,915		2,784,823
Compensated absences	(100,051)		16,957
Other	79,296		
Total educational and general expenditures	<u>32,350,873</u>	<u>NONE</u>	<u>11,685,530</u>
Nonmandatory transfers	2,372,505		(373,637)
Total educational and general and transfers	<u>34,723,378</u>	<u>NONE</u>	<u>11,311,893</u>
Auxiliary enterprise - expenditures		8,248,483	
Mandatory transfers for:			
Principal and interest		492,193	
Other		2,608	
Nonmandatory transfers for:			
Renewals and replacements		(7,537)	
Other		(2,012,619)	
Total auxiliary enterprises	<u>NONE</u>	<u>6,723,128</u>	<u>NONE</u>
Total expenditures and transfers	<u>34,723,378</u>	<u>6,723,128</u>	<u>11,311,893</u>
Other additions (deductions):			
Excess of transfers to revenue over restricted receipts			376,752
Inventory increase (decrease)	<u>(6,319)</u>	<u>68,431</u>	
Net increase in fund balances	<u>\$93,732</u>	<u>\$199,229</u>	<u>\$359,795</u>

The accompanying notes are an integral part of this statement.

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

**Statement of Changes in Fund Balances  
For the Year Ended June 30, 1999**

	CURRENT FUNDS			STUDENT	ENDOWMENT
	AUXILIARY			LOAN	FUNDS
	GENERAL	ENTERPRISES	RESTRICTED	FUNDS	
<b>REVENUES AND OTHER ADDITIONS:</b>					
Unrestricted current fund revenues	\$33,789,733				
Tuition and fees - restricted			\$1,946,382		
Governmental grants and contracts:					
Federal			4,709,898		
State			1,619,756		
Local			7,219		
Private gifts, grants, and contracts - restricted			2,884,866	\$1,000	
Investment income - restricted					\$1,130,232
Endowment income					
Auxiliary enterprises		\$6,852,501			
Interest on loans receivable				74	
Retirement of indebtedness					
Additions to plant facilities					
Other sources				15,141	
Total revenues and other additions	<u>33,789,733</u>	<u>6,852,501</u>	<u>11,168,121</u>	<u>16,215</u>	<u>1,130,232</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>					
Educational and general	32,611,944		11,096,435		
Auxiliary enterprises		8,319,886			
Expended for plant facilities					
Indirect cost recovered			117,782		
Loan cancellations and write-offs				840	
Retirement of indebtedness					
Interest on indebtedness					
Disposal of plant facilities					401
Other					
Total expenditures and other deductions	<u>32,611,944</u>	<u>8,319,886</u>	<u>11,214,217</u>	<u>840</u>	<u>401</u>
Transfers among funds - additions (deductions):					
Mandatory:					
Principal and interest		(493,146)			
Other		(1,970)			
Nonmandatory:					
Capital improvements		(107,336)			
Renewals and replacements					
Other	(1,721,529)	1,928,111	(197,250)		(9,332)
Total transfers among funds	<u>(1,721,529)</u>	<u>1,325,659</u>	<u>(197,250)</u>	<u>NONE</u>	<u>(9,332)</u>
Inventory increase	45,549	155,298	NONE	NONE	NONE
Net increase (decrease) for the year	(498,191)	13,572	(243,346)	15,375	1,120,499
Fund balances (deficit) at beginning of year	(1,969,023)	2,374,819	2,538,437	130,888	3,798,695
Fund balances (deficit) at end of year	<u>(\$2,467,214)</u>	<u>\$2,388,391</u>	<u>\$2,295,091</u>	<u>\$146,263</u>	<u>\$4,919,194</u>

The accompanying notes are an integral part of this statement.

UNEXPENDED	PLANT FUNDS		INVESTMENT IN PLANT	TOTAL (MEMORANDUM ONLY)
	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS		
				\$33,789,733
\$75,749		\$393,957		2,416,088
				4,709,898
				1,619,756
				7,219
				2,885,866
743		61,617		62,360
				1,130,232
				6,852,501
				74
			\$509,236	509,236
			3,290,471	3,290,471
45,167				60,308
121,659	NONE	455,574	3,799,707	57,333,742
				43,708,379
				8,319,886
295,244	\$192,140			487,384
				117,782
				840
		509,236		509,236
		183,265		183,265
			1,361,172	1,361,172
33,626		1,970		35,997
328,870	192,140	694,471	1,361,172	54,723,941
		493,146		
		1,970		
255,826		(255,826)		
	107,336			
255,826	107,336	239,290	NONE	NONE
NONE	NONE	NONE	NONE	200,847
48,615	(84,804)	393	2,438,535	2,810,648
525,250	384,816	3,896,224	67,824,637	79,504,743
\$573,865	\$300,012	\$3,896,617	\$70,263,172	\$82,315,391

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA  
CURRENT FUNDS**

**Statement of Revenues, Expenditures,  
and Other Changes  
For the Year Ended June 30, 1999**

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$12,004,024	\$220,619	\$2,187,036
State appropriations	20,171,448		43,962
Governmental grants and contracts:			
Federal	71,548		4,675,907
State			1,388,503
Local			8,282
Private gifts, grants, and contracts			2,901,307
Sales and services of education departments	508,362		
Investment income	142,116	156,495	29,302
Auxiliary enterprises revenue		6,452,587	
Other sources	892,235	22,800	
Total revenues	<u>33,789,733</u>	<u>6,852,501</u>	<u>11,234,299</u>
Expenditures and transfers:			
Educational and general:			
Instruction	17,481,687		1,579,771
Research	18,622		367,038
Public service			570,150
Academic support	3,761,150		1,038,022
Student services	2,000,903		4,714,542
Institutional support	4,194,220		336,459
Operations and maintenance of plant	3,948,404		
Scholarships and fellowships	603,717		2,431,067
Compensated absences	543,741		59,386
Other	59,500		
Total educational and general expenditures	<u>32,611,944</u>	<u>NONE</u>	<u>11,096,435</u>
Nonmandatory transfers	1,721,529		197,250
Total educational and general and transfers	<u>34,333,473</u>	<u>NONE</u>	<u>11,293,685</u>
Auxiliary enterprises:			
Expenditures		8,319,886	
Mandatory transfers for:			
Principal and interest		493,146	
Other		1,970	
Nonmandatory transfers for:			
Renewals and replacements		107,336	
Other		(1,928,111)	
Total auxiliary enterprises	<u>NONE</u>	<u>6,994,227</u>	<u>NONE</u>
Total expenditures and transfers	<u>34,333,473</u>	<u>6,994,227</u>	<u>11,293,685</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(183,960)
Inventory increase (decrease)	<u>45,549</u>	<u>155,298</u>	
Net increase (decrease) in fund balances	<u>(\$498,191)</u>	<u>\$13,572</u>	<u>(\$243,346)</u>

The accompanying notes are an integral part of this statement.



**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of June 30, 2000, and for the Years  
Ended June 30, 2000 and 1999

**INTRODUCTION**

Nicholls State University is a publicly supported institution of higher education. The university is a component unit of the State of Louisiana, within the executive branch of government. The university is under the management and supervision of the University of Louisiana System Board of Supervisors; however, the annual budget of the university and changes to the degree programs, departments of instruction, et cetera, require the approval of the Louisiana Board of Regents for Higher Education. As a state university, operations of the university's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

Nicholls State University is located in Thibodaux, Louisiana, and serves as a cultural and educational center for south central Louisiana. The university offers associate, baccalaureate, and selected masters and specialists degrees in the areas of liberal arts, education, business administration, the sciences, and science-related technologies. Student enrollment was 2,843, 7,367, and 6,870 during the summer, fall, and spring semesters, respectively, of the 1999-2000 fiscal year. Student enrollment was 2,665, 7,418, and 6,929, during the summer, fall, and spring semesters, respectively, of the 1998-99 fiscal year. The university had approximately 682 faculty and staff for the 1999-2000 fiscal year and 692 faculty and staff for the 1998-99 fiscal year.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The Governmental Accounting Standards Board (GASB) recognizes two models for college and university accounting and financial reporting in GASB Statement No. 15: the American Institute of Certified Public Accountants (AICPA) College Guide model and the Governmental model, established by the National Council on Governmental Accounting. The accompanying financial statements have been prepared in accordance with the AICPA College Guide model principles.

**B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The university is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing boards are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) state appropriations provide the largest percentage of total revenues; (4) the state issues bonds to finance certain construction; and (5) the university primarily serves



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state residents. The accompanying financial statements present information only as to the transactions of the programs of Nicholls State University, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose financial statements are audited by the Louisiana Legislative Auditor.

**C. FUND ACCOUNTING**

To observe the limitations and restrictions placed on the use of available resources, the accounts of the university are maintained in accordance with the principles of fund accounting. Such principles prescribe the manner in which resources for various purposes are classified, for accounting and reporting purposes, into funds that are in accordance with specified activities or objectives. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds having similar characteristics have been combined into fund groups. Accordingly, all financial statements have been reported by fund groups. A brief description of each fund group follows:

**Current Funds**

Current funds are operating funds that will be expended in the near term. Such funds have two basic subgroups, unrestricted and restricted.

Unrestricted current funds include all funds for operating purposes on which there are no restrictions, except the budgetary control provisions included in the annual legislative appropriation act, and include the General Fund. Restricted current funds represent those operating funds on which restrictions have been imposed that limit the purposes for which such funds can be used, and includes gifts, grants, or contracts from governmental or private agencies. Fund equity of the Auxiliary Enterprises Fund is restricted by covenants of bond indentures.

**Student Loan Funds**

The student loan funds group accounts for resources available for loans to students.

**Endowment Funds**

The endowment funds group consists of endowment funds and quasi-endowment funds. Endowment funds are funds with respect to which donors or other outside agencies have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income that may either be expended or added to principal. Quasi-endowment funds are those funds that the governing

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board of the institution, rather than a donor or other external agency, has determined to treat as endowment funds, to be retained and invested. Expendable income derived from investments of principal is accounted for in the restricted current fund; any nonexpendable interest is accounted for as income in the endowment fund.

**Plant Funds**

The plant funds group contains four self-balancing subgroups. Unexpended plant funds are used for the acquisition of long-lived assets for institutional purposes. Funds for renewals and replacements are set aside from current operating revenues for the renewal and replacement of auxiliary enterprise properties, as distinguished from additions and improvements to plant. Funds for retirement of indebtedness are to service plant indebtedness of the university. Investment in plant includes all long-lived assets of the university. Certain plant assets are provided directly by the state and are funded by general obligation bonds of the state. While the plant assets are included in the financial statements, the general obligation bonds are not since they are funded by the state treasurer.

**Agency Funds**

*Agency funds are deposits in which the university acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations and workshops.*

**D. BASIS OF ACCOUNTING**

The financial statements of the university have been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) summer school tuition and fees and faculty salaries and related benefits for June are not prorated but are deferred to the succeeding year; and (3) inventories of the General Fund are recorded as expenditures at the time of purchase.

The statement of current funds' revenues, expenditures, and other changes is a statement of financial activities of current funds relating to the current reporting period. It does not purport to present the results of operations (net income or loss) for the period as would a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs and renovations; mandatory transfers in the case of required provisions for debt amortization and interest; and as transfers of a nonmandatory nature for all other cases.

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**E. BUDGET PRACTICES**

The appropriation made for the General Fund of the university is an annual lapsing appropriation established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Louisiana Board of Regents and certain legislative and executive branches of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; (4) carry forward of prior-year funds is recognized as revenue in the current year; and (5) inventories in the General Fund are recorded as expenditures at the time of purchase.

The budget amounts for fiscal years 1999-2000 and 1998-1999 include the original approved budget and subsequent amendments approved as follows:

**1999-2000**

Original approved budget	\$34,728,950
Amendments:	
Increase for satisfaction surveys	7,850
Library and scientific equipment	360,887
Faculty salaries	436,139
Formula enhancement	<u>182,090</u>
Total	<u><u>\$35,715,916</u></u>

**1998-1999**

Original approved budget	\$34,786,197
Amendments:	
Distribution of library and scientific equipment and enhancement pools	664,748
Increase state General Fund	<u>27,034</u>
Total	<u><u>\$35,477,979</u></u>

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**F. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

Cash includes cash on hand, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in non-negotiable certificates of deposit. Under state law, the university may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the university may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

In accordance with Louisiana Revised Statute (R.S.) 49:327(C), the university is authorized to invest funds in direct U.S. Treasury obligations. These investments are U.S. Treasury securities and are reported at market value, and changes to the fair value of investments are reported as part of investment income in the financial statements.

**G. INVENTORIES**

Inventories are valued at cost for the General Fund stores inventory and the Auxiliary Enterprise Fund bookstore inventory. The university uses a periodic inventory system and values its inventory using the first-in, first-out (FIFO) valuation method. Inventories in the General Fund are recorded as expenditures at the time of purchase. Year-end balances are offset by a fund balance reserve that indicates this portion of the fund balance does not constitute available spendable resources. The inventories of the auxiliary enterprise funds are expended when sold or used.

**H. DEFERRED REVENUES**

Tuition and fees collected at June 30, 2000, but applicable to the 2000 summer session, are reported as deferred revenues. Expenses relating to this session are reported in the period the tuition and fees are recognized as revenues.

**I. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve fund balances, is employed by the university. Encumbrances of the General Fund are not included in the financial statements because the university does not have the ability to finance the liquidation of encumbrances after June 30, 2000, as provided by R.S. 39:82. There are no encumbrances outstanding at June 30, 2000.



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**J. PLANT ASSETS**

Physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, or fair market value at date of donation in the case of gifts, or market value for livestock. Construction in progress is capitalized at actual cost as the project is being completed and interim payments are made. Public domain or infrastructure assets are not capitalized. No depreciation has been provided on plant assets.

**K. COMPENSATED ABSENCES**

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for unused annual, sick, and compensatory leave at June 30, 2000, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standard, Section C60, is estimated to be \$1,181,883, \$1,696,721, and \$48,116, respectively.

**L. TOTAL COLUMNS ON STATEMENTS**

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

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**2. CASH AND CASH EQUIVALENTS**

At June 30, 2000, the university has cash and cash equivalents (book balances) totaling \$15,696,078 as follows:

Cash on hand	\$13,268
Interest-bearing demand deposits	4,432,297
Time deposits	9,910,745
Money market accounts	969,560
Other	<u>370,208</u>
Total	<u><u>\$15,696,078</u></u>

These deposits are stated at cost, which approximates market. Under state law, all deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the university or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2000, the university has \$16,402,556 in deposits (collected balances). These deposits are secured from risk by \$998,160 of federal deposit insurance (GASB Category 1) and \$15,404,396 collateralized with securities held by the pledging institution's trust department or agent in the university's name (GASB Category 2).

Included in cash and cash equivalents is cash available to the university within the state treasury totaling \$172,574. Securities pledged for cash in the state treasury are not included in the above computations as these amounts are secured by fiscal agent banks established by the state treasury independent of the university.

**3. INVESTMENTS**

At June 30, 2000, the university has an investment with cost and market values totaling \$22,000 and \$20,655, respectively. Securities are recorded at fair value. The investments are U.S. Government Securities purchased by the Endowment Funds. These investments are in the name of the university and are held in the trust department of a custodial bank selected by the university, which is considered to be Category 1 in applying the credit risk of GASB Codification Section 150.125-126.

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Notes to the Financial Statements (Continued)

**4. NOTES RECEIVABLE**

Notes receivable within the student loan funds are shown on Statement A net of an allowance for uncollectibles as follows:

	<u>Notes Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Statement A</u>
Perkins Loans	\$67,659	\$18,185	\$49,474
Nursing Student Loans	5,078	5,078	
Student Government Association Loans	15,720	15,720	
Total	<u>\$88,457</u>	<u>\$38,983</u>	<u>\$49,474</u>

There is also a note receivable in the Retirement of Indebtedness Fund with an ending balance of \$282,945. This amount is a grant from the Lorio Foundation for a bus purchased by Nicholls State University. The original grant agreement dated April 17, 2000, was for \$379,446 and is to be paid in four annual installments.

**5. PENSION PLANS**

*Plan Description.* Substantially all employees of the university are members of two statewide, public employee retirement systems. Academic employees are generally members of the Louisiana Teachers Retirement System (TRS), and classified/unclassified state employees are members of the Louisiana State Employees Retirement System (LASERS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. TRS and LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446 and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

*Funding Policy.* The contribution requirements of plan members and the university are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S. 11:102. Employees contribute 8% (TRS) and 7.5% (LASERS) of covered salaries. The state is required to contribute 16.5% of covered salaries to TRS and 12.4% of covered salaries to LASERS for fiscal year 1999 and 15.2% of covered salaries to TRS and 12.3% of



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covered salaries to LASERS for fiscal year 2000. The university's employer contribution is funded by the State of Louisiana through the annual appropriation to the university. The university's employer contributions to TRS for the years ended June 30, 2000, 1999, and 1998, were \$1,598,124, \$1,791,472, and \$1,732,267, respectively, and to LASERS for the years ended June 30, 2000, 1999, and 1998, were \$678,671, \$686,484, and \$663,411, respectively, equal to the required contributions for each year.

**6. OPTIONAL RETIREMENT SYSTEM**

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in the TRS for 10 or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRS and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the university are 15.2% of the covered payroll (16.5% for 1999). The participant's contribution (8%), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRS pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by an actuarial committee. The TRS retains the balance of the employer contribution for application to the unfunded accrued liability of the system. Benefits payable to participants are not the obligation of the State of Louisiana or the TRS. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

Employer contributions to the optional retirement plan totaled \$853,883 and \$890,972 for the years ended June 30, 2000, and June 30, 1999, respectively.

**7. POSTRETIREMENT HEALTH CARE  
AND LIFE INSURANCE BENEFITS**

The university provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the university's employees become eligible for these benefits if they reach normal retirement age while working for the university. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and the university. The university recognizes the cost of providing these benefits to retirees (university's portion of premiums) as an expenditure when paid during the

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year. These retiree benefits totaled \$865,035 and \$738,444 for the years ended June 30, 2000, and June 30, 1999, respectively. The total number of retirees as of June 30, 2000, and June 30, 1999, was 280 and 271, respectively.

**8. CONTINGENT LIABILITIES**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program or by General Fund appropriation. The university is involved in four lawsuits at June 30, 2000, insured by the Office of Risk Management. Any liability resulting from these lawsuits would be paid by the Office of Risk Management.

**9. LONG-TERM DEBT**

**Note Payable**

The Net Investment in Plant fund includes a note payable of \$295,070 for a loan, which funded a bus purchased by Nicholls State University. This agreement requires annual scheduled payments with an interest rate of 5.6%. The following is a summary of the installment note payable for the year ended June 30, 2000:

Installment purchase April 2000	\$379,446
Installment payments in 2000	<u>(84,376)</u>
Installment note payable at June 30, 2000	<u><u>\$295,070</u></u>

**Bonds Payable**

The following is a summary of bond transactions of the university for the two years ended June 30, 2000:

Bonds payable at June 30, 1998	\$3,525,793
Bonds retired:	
June 30, 1999	509,236
June 30, 2000	<u>540,506</u>
Bonds payable at June 30, 2000	<u><u>\$2,476,051</u></u>

A detailed summary of all debt outstanding at June 30, 2000, including interest payments of \$436,152, follows:

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<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding June 30, 1998</u>
Student Housing System Revenue Bonds:			
Series 1964	Dec. 1, 1964	\$1,800,000	\$584,000
Series 1966	Dec. 1, 1966	2,700,000	1,125,000
Series 1971	Jun. 1, 1971	2,750,000	540,000
Series 1977-A	Oct. 1, 1977	650,000	204,286
Academic Facilities Building Use Fee	Sep. 1, 1970	762,000	72,000
General Obligation Bonds:			
Series 1985-B	May 1, 1985	175,000	95,580
Series 1986-A	May1, 1986	<u>1,575,000</u>	<u>904,927</u>
Total		<u>\$10,412,000</u>	<u>\$3,525,793</u>

The annual requirements to amortize all bonds outstanding at June 30, 2000, including interest of \$436,152, are as follows:

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Student Housing Revenue Bonds:			
Series 1964	\$91,670	\$89,270	\$91,795
Series 1966	146,243	146,190	150,785
Series 1971	196,294		
Series 1977-A	45,974	45,846	45,630
General Obligation Bonds:			
Series 1985-B	19,236	19,168	19,094
Series 1986-A	<u>153,589</u>	<u>153,714</u>	<u>153,848</u>
Total	<u>\$653,006</u>	<u>\$454,188</u>	<u>\$461,152</u>

Redeemed June 30, 1999	Redeemed June 30, 2000	Outstanding June 30, 2000	Maturities	Interest Rate	Interest Outstanding June 30, 2000
\$75,000	\$80,000	\$429,000	2000-2004	3.00%	\$33,315
95,000	100,000	930,000	2000-2006	4.70%	167,085
170,000	180,000	190,000	2000	6.63%	6,294
37,143	39,000	128,143	2000-2003	4.75%	9,307
35,000	37,000		2000	3.00%	
10,467	11,383	73,730	2000-2005	9.30%	21,720
86,626	93,123	725,178	2000-2006	7.38%	198,432
<u>\$509,236</u>	<u>\$540,506</u>	<u>\$2,476,051</u>			<u>\$436,152</u>

2004	2005	Thereafter	Total
\$94,170	\$95,410		\$462,315
145,145	144,387	\$364,335	1,097,085
			196,294
			137,450
19,013	18,940		95,451
153,994	154,149	154,314	923,608
<u>\$412,322</u>	<u>\$412,886</u>	<u>\$518,649</u>	<u>\$2,912,203</u>

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The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2000:

<u>Bond Issue</u>	<u>Cash Reserves Available</u>	<u>Reserve Requirements</u>	<u>Excess</u>
Student Housing System Revenue Bonds	\$1,195,319	\$685,886	\$509,433
General Obligation Bonds	936,645	172,573	764,072
Total	<u>\$2,131,964</u>	<u>\$858,459</u>	<u>\$1,273,505</u>

The bond agreement of the housing system revenue bonds requires that, after required deposits have been made to the housing system repair and replacement fund, a sum totaling \$255,000 must be deposited in a housing system repair and replacement reserve. At June 30, 2000, the university satisfied the repair and replacement reserve requirement.

**10. RESERVATIONS OF FUND BALANCES**

Reservations of fund balances at June 30, 2000, as shown on Statement A, are as follows:

	<u>Reserved for Inventories</u>	<u>Bond Indentures</u>	<u>Total</u>
Current Fund - General	\$141,382		\$141,382
Plant Funds:			
Renewals and Replacements		\$255,000	255,000
Retirement of Indebtedness		858,459	858,459
Total	<u>\$141,382</u>	<u>\$1,113,459</u>	<u>\$1,254,841</u>

**11. FUND DEFICIT**

As shown on Statement A, as of June 30, 2000, the General Fund has a deficit of \$2,373,482 as a result of the liability for compensated absences. The deficit will be funded by future General Fund appropriations and other revenues.

**12. STUDENT LOAN FUNDS**

The fund balances of the student loan funds at June 30, 2000 and 1999, are as follows:



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	<u>2000</u>	<u>1999</u>
Federal Perkins Loan Fund	\$67,159	\$60,539
Federal Nursing Student Loan Fund	1	432
Student Government Association Loan Fund	69,561	65,480
American Petroleum Institute Loan Fund	15,689	15,689
Partners in Responsible Opportunity Loan Fund	<u>5,221</u>	<u>4,123</u>
Total	<u>\$157,631</u>	<u>\$146,263</u>

**13. PLANT FUNDS**

The restricted fund balances of the unexpended plant fund at June 30, 2000 and 1999, are as follows:

	<u>2000</u>	<u>1999</u>
Parking permits	\$68,099	\$129,224
Interest income from investments	17,426	16,692
Oil and lease royalty income	554	432
Royalty income - Peltier Farm	125,533	125,533
Geophysical seismic survey	25,119	
Right of way - Quest Communications	7,450	
Equipment and plant fund projects	69,960	180,062
Building use fee projects	303,000	117,129
Other	<u>2,931</u>	<u>4,792</u>
Total	<u>\$620,072</u>	<u>\$573,864</u>

In August 1987, the Financial Accounting Standards Board (FASB) issued Statement No. 93, *Recognition of Depreciation by Not-for-Profit Organizations*, which requires not-for-profit organizations, including colleges and universities, to recognize depreciation of their long-lived tangible assets in their financial statements. In January 1988, the GASB issued Statement No. 8, which addresses the implementation of FASB Statement No. 93. Codification of Governmental Accounting and Financial Reporting Standards Section Co5.103 states that "Colleges and universities that follow the AICPA Industry Audit Guide, *Audits of Colleges and Universities*, should not change their accounting and reporting for depreciation of capital assets as a result of FASB Statement No. 93; the GASB has several projects under way that may affect that reporting." As reflected in note 1-J, depreciation is not currently recognized by the university.

A summary of investment in plant follows:

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Notes to the Financial Statements (Continued)

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land and improvements	\$4,202,929	\$1,138,120		\$5,341,049
Buildings	41,239,560	267,678		41,507,238
Equipment	18,074,241	1,430,498	\$1,204,553	18,300,186
Library books	7,755,873	375,384		8,131,257
Construction in progress	77,827	78,792	156,619	
Total	<u>\$71,350,430</u>	<u>\$3,290,472</u>	<u>\$1,361,172</u>	<u>\$73,279,730</u>

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Land and improvements	\$5,341,049	\$268,098		\$5,609,147
Buildings	41,507,238	30,547		41,537,785
Equipment	18,300,186	2,159,638	\$1,426,037	19,033,787
Library books	8,131,257	393,436		8,524,693
Construction in progress		8,722,515		8,722,515
Total	<u>\$73,279,730</u>	<u>\$11,574,234</u>	<u>\$1,426,037</u>	<u>\$83,427,927</u>

Construction in progress is composed of the following:

	Project Authorization	Expended June 30, 2000	Remaining Commitment
Allied Health Building	\$3,970,101	\$1,349,579	\$2,620,522
Ayo Nursing Building	13,577,067	6,848,887	6,728,210
Electrical System Upgrade	2,155,000	524,049	1,630,951
Total	<u>\$19,702,168</u>	<u>\$8,722,515</u>	<u>\$10,979,683</u>

**14. AUXILIARY ENTERPRISES**

The university maintains various auxiliary enterprise funds that provide services to the university community. Segment information for the fiscal years ended June 30, 2000 and 1999, follows:



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	<u>June 30, 2000</u>	<u>June 30, 1999</u>
Net increase in fund balances	\$199,229	\$13,572
Net income	232,960	144,236
Net assets	2,587,620	2,388,391
Outstanding principal and interest on debt	1,893,144	2,373,136
Annual principal and interest on debt	496,893	497,846
Annual bond handling charges	2,608	1,970

The present accounting system does not provide for individual accounting of balance sheet and fixed assets for each auxiliary. A summary of net income or (net loss), excluding transfers from the General Fund, for the fiscal years ended June 30, 2000 and 1999, follows:

	<u>June 30, 2000</u>	<u>June 30, 1999</u>
Food service	\$395,205	\$397,700
Housing	145,936	85,678
Bookstore	172,656	148,045
Student Union	(141,735)	(150,740)
Athletic Auxiliary	(2,012,619)	(1,928,111)
Others	<u>(339,102)</u>	<u>(336,447)</u>
Total	<u><u>(\$1,779,659)</u></u>	<u><u>(\$1,783,875)</u></u>

## **15. FOUNDATIONS**

The accompanying financial statements do not include the accounts of Nicholls College Foundation, Incorporated. This foundation is a separate corporation whose financial statements are subject to audit by independent certified public accountants.

## **16. DEFERRED COMPENSATION PLAN**

Certain employees of Nicholls State University participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 2000**

The following supplemental information schedules present the Schedule of Endowment Fund Balances and the Schedule of Agency Funds - Deposits Held for Others for amounts included in the totals presented on Statement A for the Endowment and Agency Funds at June 30, 2000.

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

**Schedule of Endowment Fund Balances  
For the Year Ended June 30, 2000**

	<u>JUNE 30, 2000</u>
Alice H. Gordon Scholarship	\$17,830
Allen and Helena Dusenbury Scholarship	15,572
Betsy Ayo Endowed Professorship - Accounting	102,482
Bob Blazier Scholarship	4,598
Bollinger Family Endowed Chair--Business Administration	1,078,596
C. Glenn Walters Memorial Scholarship	12,251
Calecas Scholarship for the Culinary Arts	5,406
Chatman Foundation Scholarship Endowment Program	100,000
Clyde P. Bonvillain Scholarship	3,119
D. R. Talbot Scholarship	5,371
Danny LeBlanc Scholarship	18,820
Delahaye Communication Arts	3,116
Donaldsonville Music Club Scholarship	10,541
E. G. Robichaux Memorial Scholarship	10,000
E. R. T. Marquette, CPA Accounting Scholarship	8,557
Enola Jeandron Autin Scholarship	50,000
Eugenia S. Churchill Scholarship	31,969
Florine A. Petit Scholarship	10,115
Gerald Gaston Endowed Professorship - Business Administration	58,388
Gerald Gaston Scholarship	60,000
George Mitchell Physical Educational Scholarship	15,167
Gerald B. Blakeman Memorial Fund	2,457
Gibson J. Autin, Jr. Scholarship	50,000
I. T. Danos Memorial Scholarship	15,115
Ingree C. Peterson Memorial Scholarship	2,265
James Lynn Powell Scholarship	18,611
Jennie and Company Film Production Scholarship	2,765
Leila Graham Floriculture Scholarship	9,229
Lloyd Morgan Scholarship	10,000
Louise Stark Drexler Scholarship	250,000
Margaret V. Jolley Home Economics Scholarship Fund	4,013
Marie P. Gervais Scholarship	57,526
Mary B. Welch Afro-American Scholarship	9,145
Maurice Charitat Memorial Scholarship	19,485
Mike Bauer Memorial Scholarship Fund	34,149
Mrs. E. R. T. Marquette Piano	19,745
New York Times Company Foundation Scholarship	35,000
NSU Argent Bank Endowed Professorship--Business Administration	119,739
NSU Auto-Chlor Scholarship	5,310
NSU Belle and Leonard Touns Endowed Chair--Engineering	1,178,049
NSU Contractors' Educational Trust Fund Endowed Professorship - Manufactured Technology	132,590

(Continued)

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA  
Schedule of Endowment Fund Balances  
For the Year Ended June 30, 2000**

	<u>JUNE 30, 2000</u>
NSU Entergy Endowed Professorship--Computer Science	\$103,901
NSU Entergy Endowed Professorship--Information Systems	60,000
NSU John C. Daigle Endowed Professorship - Free Enterprise	60,000
NSU Lorio Foundation Mass Communication Scholarship	14,200
NSU Louisiana Contractors' Licensing Board Endowed Professorship - Manufactured Technology	103,468
NSU R. H. "Bob" Dolese Rotaract Scholarship	22,673
NSU Terrebonne General Medical Center Endowed Chair--Nursing	1,079,735
NSU Thibodaux Hospital & Health Endowed Professorship--Nursing	122,092
Peggy Palmer Perdue Scholarship	4,425
Phil Naquin, Jr. Scholarship	10,947
Presidential Distinguished Scholarship	28,827
Ray Didier Memorial Scholarship	45,564
Raymon Labat Memorial Scholarship	9,837
Raymond J. Calecas Memorial Scholarship	20,050
Richard Peltier Scholarship	12,499
Ronnie J. Sternfels Scholarship	15,000
Seargent Calvin R. Hebert, Jr. Memorial Scholarship	16,193
Senator Claude B. Duval Scholarship	10,000
Senior Scholarship Fund	17,755
State Farm Athletic Scholarship	40,000
<i>The Texaco Inc. Scholarship</i>	10,000
Timothy Lindsley, Jr. Scholarship	6,074
Vernon F. Galliano Scholarship	8,835
Victor J. Bailliet Memorial Scholarship	15,169
	<hr/>
Total	<u><u>\$5,434,335</u></u>

(Concluded)

**NICHOLLS STATE UNIVERSITY  
STATE OF LOUISIANA**

**Schedule of Individual Agency Funds -  
Deposits Held for Others  
For the Year Ended June 30, 2000**

	<u>JUNE 30, 2000</u>
American Language Academy	\$75
Athletic aid deposits	38,086
Former Athlete Club	500
Nicholls State University Tae Kwon Do Club	1,219
Student Government Association Legal Aid	7,515
Student Government Association	538
Student Program Association	13,457
Student Organization for Academic Return	223
Ameen Gallery	916
English Awards	90
Funds for Art Awards	676
Hebert Account for Awards	750
MBA Academic Excellence Award	137
Miscellaneous	<u>1,087</u>
Total	<u><u>\$65,269</u></u>

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.





DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

December 1, 2000

Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of the Financial Statements  
Performed in Accordance With Government Auditing Standards

**NICHOLLS STATE UNIVERSITY**  
**STATE OF LOUISIANA**  
Thibodaux, Louisiana

We have audited the general purpose financial statements of Nicholls State University, a component unit of the State of Louisiana, as of June 30, 2000, and for the years ended June 30, 2000 and 1999, and have issued our report thereon dated December 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Nicholls State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Nicholls State University's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

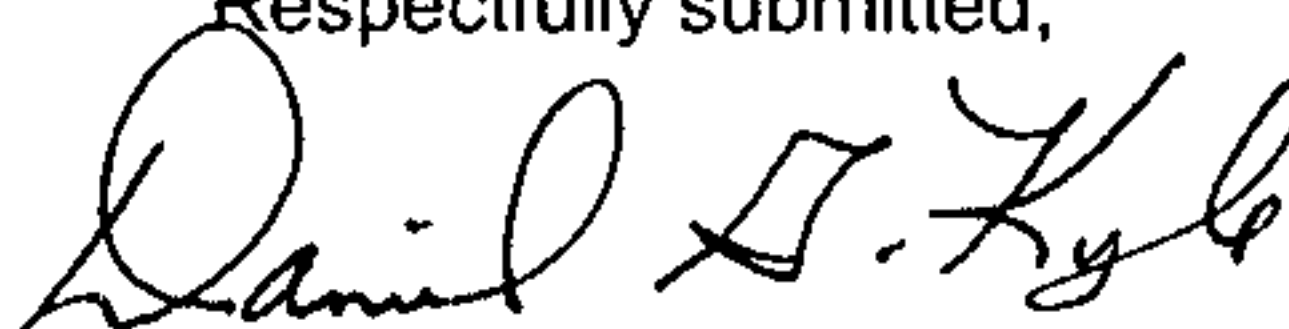


LEGISLATIVE AUDITOR

**NICHOLLS STATE UNIVERSITY**  
**STATE OF LOUISIANA**  
Compliance and Internal Control Report  
December 1, 2000  
Page 2

This report is intended solely for the information and use of the university and its management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is fluid and cursive, with the first name "Daniel" being larger and more prominent than the last name "Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

KWF:ES:RCL:ss

[NICHOLLS]